

Message Text

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PAGE 01 STATE 014559
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FM SECSTATE WASHDC
TO AMEMBASSY JAKARTA IMMEDIATE

C O N F I D E N T I A L STATE 014559

STADIS//////////

E.O. 11652: GDS

TAGS: PINS, ID

SUBJECT: WAIVER OF INDONESIAN BANK SECRECY LAWS

1. RECENTLY, THE DEPARTMENT HAS RECEIVED TWO SEPARATE
INQUIRIES AS TO WHETHER THE DEPARTMENT WOULD INSTRUCT OUR
EMBASSY IN JAKARTA TO REQUEST THE GOI TO WAIVE INDONESIAN
BANK SECRECY LAWS.

2. THE FIRST INVOLVES A PROSECUTION BY THE NEW YORK STATE
ATTORNEY GENERAL. THAT OFFICE IS PROSECUTING ADELA HOLZER
PURSUANT TO A GRAND JURY INDICTMENT CHARGING HER WITH DE-
FRAUDING INVESTORS OUT OF MILLIONS OF DOLLARS BY DECEIVING
THEM WITH FALSE STATEMENTS AND FORGED DOCUMENTS. PART OF
ALLEGED FRAUD INVOLVED DISTRIBUTING COPIES OF A BANK STATE-
MENT FROM CHASE,JAKARTA,WHICH SHOWED A BANK BALANCEOF MORE
THAN TEN MILLION DOLLARS. ACCORDING TO THIS ALLEGEDLY
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FALSE STATEMENT, MORE THAN TEN MILLION DOLLARS WAS DEPOSITED
IN THE DINARS INTERNATIONAL (HER COMPANY) CHECKING ACCOUNT
ON JANUARY 31, 1976, INCREASING THE TOTAL IN THAT ACCOUNT FROM
454 DOLLARS TO DOLLARS 10,225,002.40. THE INDICTMENT CHARGES
THAT THE BANK STATEMENT IS FALSE. ACCORDINGLY, THE STATE
REQUIRES A TRUE COPY OF THE BANK STATEMENT AND THE TRUE STATUS
OF THIS ACCOUNT FROM CHASE MANHATTAN. CHASE, NEW YORK, IS

WILLING TO PROVIDE THE INFORMATION BUT HAS TOLD THE NEW YORK STATE ATTORNEY GENERAL THAT SUCH A DISCLOSURE IS CONTRARY TO INDONESIAN BANK SECRECY LAWS. THE STATE ATTORNEY GENERAL'S OFFICE HAS APPROACHED THE DEPARTMENT AND REQUESTED THAT WE SEEK TO HAVE THE GOI WAIVE THE APPLICATION OF THE LAW IN THIS CASE. THEY STATE THAT THIS WOULD ENTAIL REQUESTING THE APPROPRIATE GOI OFFICIAL TO AUTHORIZE CHASE, NEW YORK, TO RELEASE THE ABOVE-DESCRIBED BANK STATEMENT OF DINARS INTERNATIONAL. HOLZER'S TRIAL BEGINS JANUARY 23.

3. THE SECOND REQUEST IS CONSIDERABLY MORE CONTROVERSIAL AND MORE DIRECTLY CONNECTED WITH THE GOI ITSELF. THIS REQUEST IS PART OF THE ONGOING INVESTIGATION OF THE DOMSAT CASE. AS THE DOJ ATTORNEY IN CHARGE OF THE CASE EXPLAINED, PART OF THIS INVESTIGATION INVOLVES FALSE STATEMENTS MADE TO U.S. OFFICIALS (I.E., EXIMBANK) IN SECURING THE FINANCING FOR THE PROJECT. APPARENTLY, IN ORDER TO OBTAIN FINANCING, HUGHES, ITT AND FORD HAD TO SWEAR THAT NO PAYMENTS OF ANY KIND WERE MADE TO FOREIGN OFFICIALS. TO PROVE THAT SUCH PAYMENTS WERE MADE, THE ATTORNEY IN CHARGE OF THE INVESTIGATION HAS SUBPOENAED SPECIFIC RECORDS OF CHASE MANHATTAN AND BANK OF AMERICA, JAKARTA. IN VIEW OF THE INDONESIAN BANK SECRECY LAW, THE BANKS REFUSED TO COOPERATE. THE ATTORNEY HAS APPROACHED THE DEPARTMENT FOR OUR HELP IN REQUESTING GOI WAIVER OF THOSE LAWS.

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4. THE SUBPOENAS TO CHASE REQUIRE THE BANK TO TURN OVER THE BANK RECORDS OF THE FOLLOWING INDIVIDUALS AND CORPORATIONS:

1. P.T. MOTORESIA, INC.
2. UDAYA HADIBROTO
3. ELECTRONIKA NUSANTURA P.T. (ELNUSA)
4. EMIL SALIM
5. WILLY MOENANDIR MANGOEDIPRODJO
6. GENERAL SOEHARDJONO
7. BENJERANG ASIAN
8. P.T. PANSYSTEMS
9. P.T. KOMUNIKUSI

AS WELL AS THE FOLLOWING ACCOUNT NUMBERS:

1. NO. 01-30-10689-(02)
2. NO. 01-60-08496-8-(02)
3. NO. 01-30-10701-4(02)

THE SUBPOENA TO BANK OF AMERICA REQUIRES THE BANK TO TURN OVER RECORDS PERTAINING TO THE FOLLOWING ACCOUNTS, PER-

SONS, AND CORPORATIONS:

1. NO. 010099
2. UDAYA HADIBROTO
3. EMIL SALIM
4. WILLY MOENANDIR MANGOENDIPRODJO
5. GENERAL SOEHARDJONO
6. P.T. MOTORESIA, INC
7. P.T. KOMONIKASI TERRESTRIA
8. P.T. PANSYSTEMS
9. ELECTRONIKA MUSANTARA P.T. (ELNUSA)

5. THE DEPT IS NOT INFORMED ON THIS SECRECY LAW, AND
WOULD APPRECIATE A COPY OF THE LAW AND ANY INFORMATION
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WHICH THE EMBASSY HAS ON THE LAW. HAVE WE OR OTHERS PRE-
VIOUSLY REQUESTED SUCH A WAIVER? IF SO, IS THIS REGULARLY
REQUESTED AND GRANTED? IS THERE AN EXEMPTION IN THE LAW
FOR CRIMINAL PROCEEDINGS SUCH AS THE HOLZER CASE? IN
ADDITION, WOULD THE EMBASSY OBJECT TO APPROACHING THE GOI
IN EITHER OF THESE CASES? IN VIEW OF MS. HOLZER'S IMMI-
NENT TRIAL, WOULD APPRECIATE THE INFORMATION AND EMBASSY
VIEWS ASAP. CHRISTOPHER

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